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The Nature of Marketing Management

The term *marketing management* describes two separate but related topics. First, it is a common name for the capstone course taken by marketing majors as they prepare to graduate. In that context, integrating management and marketing concepts to help prepare individuals for careers constitutes the primary goal.

Second, marketing management is a business process. It includes managing marketing activities in profit-seeking and nonprofit organizations at the supervisory, middle-management, and executive levels. Success in these endeavors will be based on a strong knowledge of a variety of marketing functions combined with a clear understanding and application of supervisory and managerial techniques.

Both of these topics may be examined and discussed using case analyses. Students and professors can learn from the case content and from each other when examining the concepts and actions taken by companies in a range of industries. This first case was chosen to accompany a review of the basic marketing management field. As the name implies, marketing management combines the fields of marketing and management.



Marketing

Marketing experts agree that an effective marketing program should be driven by customers, whether it is a for-profit, a nonprofit, or a governmental organization. The traditional definition of marketing has been

1. discovering consumer needs and wants;
2. creating the goods and services that meet those needs and wants; and
3. pricing, promoting, and delivering those goods and services.

The definition suggests that the primary elements of marketing include understanding and meeting the needs of consumers. Doing so requires attention to six major areas:

- Markets
- Products
- Prices
- Places (distribution systems)
- Promotion
- People

Markets consist of customers with wants and needs, financial resources, and the willingness to spend resources to satisfy those wants and needs. Market segments are made up of groups of buyers in consumer markets and business-to-business markets.

Products are the physical goods sold to customers and services rendered to them. Physical goods include both durable goods that last longer than 1 year and nondurable goods with shorter uses. Nondurable goods include convenience items, shopping goods, and specialty products. Services consist of the intangible items sold to others, including banking, financial, insurance, transportation, credit, and personal services.

Prices are based on costs, demand/supply, competition, and profit goals. Pricing activities include setting base prices, offering discounts, and amending or changing them when needed.

Place or distribution involves deciding where, how, and when products are made available to potential customers. The first decision is often the choice between exclusive, selective, or intensive distribution. Then physical distribution methods are chosen, including methods of storage and inventory, modes of transportation, forms of inventory control, and billing and payment processes.

Promotional activities include creating the advertising programs, consumer and trade promotions efforts, personal selling tactics, and supporting public relations activities. The term *integrated marketing communications* has often been applied to promotions. Promotional programs are strongly influenced by changing preferences for media.

The people involved in marketing are those who produce and sell products and the individuals who render services. In recent years, customer satisfaction and customer retention have received a great deal of attention. High product quality and outstanding customer service can be key elements in a successful marketing program.

Company leaders also recognize that strong brands offer major advantages to marketing programs. Effective marketing accounts for the growing influence of the Internet and the trend toward internationalization and global competition.

Management

Management is the process of getting things done through other people. A distinction should be made between *doing* and *managing*. Managing consists of the ability to get others to complete work while helping improve their skills and knowledge of the business. Managers engage in five key activities:

- Planning
- Organizing
- Staffing
- Directing
- Control

Planning outlines a course of action for the future in the operational short term (1 year), tactical/medium range (1–3 years), and long-range or strategic time horizons (3 years or more). Plans are created by first assessing the company's environment, where managers seek to identify the opportunities and threats that exist. Then managers assess company strengths and weaknesses. Forecasts are developed to help in the planning process, typically in the areas of economic conditions, future sales, and changes in technologies. Decisions can then be made with regard to the options to pursue and those to leave behind. Plans are drawn, and then goals and standards are set for the purposes of assessment and control.

Organizing combines people and resources to create goods and services through the processes of job design, departmentalization, and drawing lines of authority and responsibility. Staffing consists of attaining and preparing quality employees.

Directing, or actuating, involves seeking to achieve the highest levels of performance. Achieving success is made possible by teaching, motivating, leading, communication, and working with teams and groups. Actuating represents the people side of business.

The control process consists of comparing performance with standards, making corrections when needed, and rewarding success. Control occurs at three levels: individual (or the performance appraisal process), departmental, and companywide. Control includes correcting problems and making sure those who succeed are recognized with tangible rewards.

Marketing management implies the integration of these concepts. The tools to be used include marketing strategies, which are the sweeping marketing efforts based on the company's mission; marketing tactics that support strategies in the medium term; and operational plans for day-to-day marketing efforts. Most students will at first be involved in developing and carrying out operational plans but should also be aware of the tactical and strategic directions the plans are designed to support. Each will be devoted to creating solid customer acquisition, customer interaction, and customer retention programs.

The Case

Chantale and Clinton Call for Service

Chantale and Clinton are the names of two consumers who purchased a new refrigerator from The Canadian, a large department store chain. It subsequently began to malfunction. They received poor service from the vendor's repair division over an extended period of time and, at the end, wondered what to do next. The primary issues are service failure and poor service recovery. The story demonstrates how regular customers become disenchanted when entry-level employees and supervisors take them for granted and inconvenience them without concern. In the end, the couple passes along negative word of mouth about the department store chain to several friends and acquaintances. The experience also could affect their future intentions to purchase from the retailer and the refrigerator's manufacturer.

Chantale and Clinton Call for Service

By Christopher A. Ross¹

On the evening of July 5, 2007, the Rileys were sitting around their dinner table reminiscing about the events of the past few weeks. Early in February, the Rileys had bought a new compact refrigerator that had started to malfunction. They had subsequently called the vendor's repair service and had received extremely poor service. They were now wondering what they should do. Should they do nothing and treat the poor service as an isolated incident? Should they walk away vowing never to deal with this particular retailer and the brand? Should they write to the retailer, complain about the service, and demand some form of apology or compensation? Or was there something else that they could do? Underlying all of these questions was the issue: Was it worth the trouble?

The Rileys

Chantale and Clinton Riley were two professional consultants: Chantale worked as an accountant and Clinton was a financial advisor. Clinton was 60 years old and Chantale was 56 years old. They had met each other while at university in the 1970s and had been living in Montreal since 1980. They resided in Côte-des-Neiges-Notre-Dame-de-Grâce, one of the boroughs of Montreal. They had two children: a boy, 23 years old, who had just completed a bachelor's degree at McGill University, and a girl, 18 years old, who had just completed her first year of CEGEP.² All members of the family were completely bilingual in English and French. In fact, McGill University was the first educational institution where the boy had been schooled in English; the girl had always attended French schools.

The Rileys had always been loyal to the Bryand brand of appliances, the private brand of The Canadian, one of the largest department store chains in

Canada. The Canadian had more than 40,000 employees and annual sales of more than \$5.5 billion. During their 27 years of marriage, all of the Rileys' appliances had been purchased at this chain. Yard equipment such as lawn mowers and snow blowers had also been bought at this chain. One could describe this couple as loyal The Canadian customers. Prior to meeting Clinton, Chantale had been employed as a department manager at The Canadian for three years and she had always described the policies of The Canadian as being very customer-oriented.

The Rileys' refrigerator for the past 25 years had been a Bryand and it was still in good working order, even though it was a bit noisy. In February 2007, however, after reading an article about the electrical inefficiency of refrigerators that were more than 20 years old, both Chantale and Clinton were persuaded to purchase a new refrigerator as a way to save energy and to do their part for the environment. The family also needed more refrigerator space in order to accommodate the special dietary needs of the youngest child. Because the Rileys already owned a separate freezer, they felt that a full-size compact refrigerator, one that did not include a freezer, best suited their needs. It would provide enough space for special foods as well as for regular perishables.

After doing some shopping around, they discovered that only the brands Frigidaire, Kenmore, and Bryand had the features they were looking for. The Rileys subsequently evaluated all three brands and found them to be identical except that the Bryand was on sale at about \$100 cheaper than the others. After some discussion, they decided to purchase The Canadian brand, Bryand, since they had always had good experiences with The Canadian regarding service. For example, Chantale recalled that they had bought a front-loading washing machine the year before, but the machine had a persistent and constant vibration when used. After trying

unsuccessfully to correct the problem, The Canadian agreed to accept the return of the washing machine and the Rileys had received a full reimbursement. The couple subsequently bought a traditional top-loading washing machine from The Canadian.

The New Refrigerator

The Canadian delivered the new refrigerator on February 8, 2007. It did not have a freezer as expected; the panelling of the door was made of stainless steel and it had a capacity of 16.7 cubic feet. The delivered price was \$1,401.56. This price included the cost of delivery, federal and provincial sales taxes, and an extended five-year warranty. This warranty included a general warranty of one year parts and labor, and five years parts and one year labor for the compressor and sealed system.

On the day of delivery, Clinton noticed that the appliance was much noisier than the one that it had replaced. He thought that the noise was coming from the compressor, which seemed to be tripping on and off quite frequently. One morning he decided to time the compressor and noted that it functioned for about four minutes, tripped off for about three minutes, and then the pattern repeated itself. Not having any technical knowledge about refrigerators, he called The Canadian's customer service department and spoke to a representative. The employee informed him that the recommended setting for the dial that controlled the internal temperature of the refrigerator was four degrees Celsius but that that was a U.S. recommendation. The representative told Clinton that since Canada was colder he should lower the setting to three and this lower setting should have a positive effect on the operation of the compressor. Clinton was somewhat skeptical about this information but he did what the representative suggested. He did not notice a difference in the functioning of the compressor but thought that maybe that was the way modern refrigerators functioned. Apart from the noisiness of the refrigerator, the family of four was quite happy with the new appliance.

The representative had also told Clinton that buying a new refrigerator in order to save energy

did not make sense because the annual savings were miniscule and in any case modern refrigerators were not as durable as the one that the Rileys had replaced. He said that if he had been in the same position he would not have purchased a new refrigerator. Clinton took that information with a "grain of salt" but wondered about the wisdom of what the technician had said.

Sometime in April, the Rileys' Bryand dishwasher developed a problem: the dishes were not being washed properly. They called for service and a technician visited them the following day. It turned out to be a simple problem that was repaired in about half an hour. But while doing the repairs, the technician said that he was leaving the employ of The Canadian because its service had deteriorated. He felt that repairs that should be covered by the warranty or extended service were no longer being covered by The Canadian. He gave the example of the hose that connected a clothes-washing machine to the water tap. According to the repairman, if that hose sprung a leak it was not covered by the warranty because The Canadian claimed that it was not part of the machine.

June 11

On the evening of June 11, Clinton noticed that the internal temperature of the new refrigerator, bought only four months ago, seemed to be less cold than it should be. In order to confirm this, he placed a thermometer inside the refrigerator and left it there overnight. The following morning the thermometer showed that the internal temperature of the refrigerator was 16 degrees Celsius instead of the generally recommended four degrees Celsius. A telephone call to The Canadian's repair department produced good results. That same day, June 12, a technician arrived at the Rileys' home. He was accompanied by an apprentice and, together, they diagnosed the problem as being leaking refrigerant. The two technicians changed some parts of the line that held the refrigerant and added a valve to make future repairs easier. They also added new refrigerant. The refrigerator was soon working well and the technicians left.

As a result of the failure of the refrigerator, the Rileys had to throw away several food items but they were grateful that the problem had been solved relatively quickly. When they had inquired from the technician if the cost of the lost food would be reimbursed, as stated in the five-year extended warranty that they had purchased at the cost of \$79.99, they were told that because the problem occurred during the first year, no reimbursement would be forthcoming since the extended warranty reimbursed the cost of lost food only after the expiration of the manufacturer's warranty. This explanation sounded odd to Clinton and Chantale since they had purchased a Bryant, The Canadian brand. They decided, however, not to pursue the matter since they had lost only about \$50 worth of food. The amount was relatively small because they had saved several items by storing them in the family freezer and in a camping cooler. Clinton had bought ice for the cooler at a service station at a cost of \$5.89 for two bags.

June 27

Clinton opened the refrigerator at about 6:00 P.M. on Wednesday, June 27, and suspected that something was wrong once again. The appliance appeared to be not as cold as usual. Once more, he installed a thermometer in the refrigerator, mentioning to Chantale that he suspected something was wrong with the refrigerator. Subsequently, the family went to bed.

June 28

When Clinton checked the refrigerator on the morning of Thursday, June 28, the temperature was once more at 16 degrees Celsius, a good 12 degrees above the recommended temperature. He called The Canadian's service department at 6:30 A.M. and was told that a technician would be there the same day since this was an emergency. The representative also indicated that someone would call the Rileys at their home. At about 8:00 A.M., Clinton left to buy ice for the cooler so that some of

the foodstuffs from the refrigerator could be saved. Fortunately, the refrigerator was less than half full since it was a Thursday and the family normally did their grocery shopping on Saturdays.

A little while later, Clinton had to leave home for an appointment in downtown Montreal and Chantale offered him a lift. They both left the house and asked the cleaning lady, who normally came each Thursday, to take any messages because they were expecting a call from The Canadian. Upon Chantale's return, the cleaning lady said that no one had called. Chantale, who had some errands to run, decided to remain at home to wait for the call. At about 3:00 P.M., a representative from The Canadian called to say that because the repair department was extremely busy, no one would visit that day and that a repair person would only come the following day, on Friday, June 29. The Canadian could not say whether it would be in the morning or in the afternoon. That same evening, Clinton bought some more ice for the cooler.

June 29

On the morning of June 29, a Friday, Clinton, after apologizing profusely, cancelled an appointment with a client so that he would be available when the technician arrived. Chantale called The Canadian to find out whether it could be more precise regarding the arrival time of the technician. The representative from The Canadian indicated that someone would visit between 10:00 A.M. and 2:00 P.M. The technician, Miguel, arrived at about 1:00 P.M. After spending about one hour going through various diagnostics, Miguel announced that the refrigerant was not flowing and that there was a blockage in the gas line. His tests indicated, however, that the compressor was sound. He needed a special gas, nitrogen,³ to be able to clear the blockage, but he did not have a supply in his truck. Another repair person would have to revisit the Rileys at another time, he said.

A long weekend was coming up and the Rileys had planned to be away for a family reunion. They were scheduled to return to Montreal on Monday

evening, July 2. The technician therefore suggested that someone could be available first thing on Tuesday, July 3. After some discussion, the technician called his office, spoke to someone and scheduled the next appointment for early on Tuesday morning. He mentioned to the Rileys that he might be the one to return but that he was not certain. Just in case, on the invoice, he wrote a note to the technician who would be coming on Tuesday that he or she would need nitrogen in order to complete the repair job. Chantale mentioned to the technician the amount of food that had been lost and Miguel indicated that The Canadian would reimburse her. He subsequently provided her with a form that she could use to indicate the cost of what was lost.

Both Clinton and Chantale were disappointed that the refrigerator had not been repaired that day because Chantale was expecting her brother who lived in France to arrive that evening at Pierre Elliott Trudeau airport and she had wanted to prepare a special meal for him. With the refrigerator not working, they had to make do with leftovers from the previous day that had been stored in the cooler. Her brother could not have his favorite drink, a cold beer, because there was no room in the cooler for beer.

On Monday evening, when they returned to Montreal, the Rileys stopped once more to buy ice for the cooler and milk for their Tuesday morning coffee and breakfast. That Monday evening, all members of the family had cereal with milk and some fruits for dinner. After making an inventory, Chantale threw away all the food that was left in the refrigerator.

July 3

On the morning of Tuesday, July 3, Clinton had to take the family car to the tire dealer. During the weekend trip he had found that there was an excessive vibration on the steering wheel. He had had the wheels balanced the previous week and was therefore returning the car to have the wheel balancing rechecked. While at the tire dealer, he phoned Chantale to suggest that she call The Canadian to verify what time the technician was

coming to repair the refrigerator. Meanwhile at the dealership, it turned out that the wheel balancing of the car had to be adjusted but the dealer also suggested that it was possible the car would continue to vibrate because the tires seemed to be a problem. Clinton said he would check them on the road and if there was a problem, he would like to have new tires and a credit for the unused portion of the old tires. The dealer agreed and suggested a price of \$175.00 for four new tires instead of the \$600.00 that they would normally cost.

When Clinton arrived home from the tire dealer at about 9:00 A.M., he decided to remain at home because Chantale had called The Canadian's customer service and was told that The Canadian would investigate and call her back. At 10:00 A.M., no one had called so Chantale called again and she was told that someone would visit the Rileys before noon. At 2:30 P.M., no one had arrived and no one had called.

Chantale, therefore, called The Canadian to inquire about the delay. She once more repeated the whole story to the customer service representative since, at each call, she spoke to a different person. She was told to be patient; that the file clearly indicated that a technician would visit her home that day. Clinton was under the impression that the repair department remained open for business until 8:00 P.M. and was therefore not overly concerned. He felt fairly certain that a technician would turn up, as had happened in the past.

By this time, Clinton and Chantale had been without a refrigerator for about five days. They had to buy more ice to preserve a small quantity of food. At about 3:30 P.M. Clinton called the customer service and inquired about the delay after repeating the sequence of events. The representative promised to investigate and have someone call the Rileys.

At about 6:30 P.M., Chantale again called the repair department. She was now quite incensed because no one had called back, as promised. A man answered. He said that no one would visit the Rileys that day, since the repair department closed at 4:30 P.M. He also said that he would write a note to the person in charge of scheduling the repair jobs, telling him to call the Rileys and to schedule the repair for Wednesday. Additionally, he said that

if the couple did not receive a phone call by 8:30 A.M., they should call the department. The whole family was quite unhappy with the situation and tried to make do with a meal prepared with canned goods and bread. Partly because of the allergies of the youngest child, they were used to preparing their meals each day, using basic ingredients, and found it difficult to continue eating canned food.

July 4

On Wednesday, Clinton visited the tire dealer and had the tires on the family car changed. The steering wheel vibrations disappeared and he returned home at about 9:30 A.M. Meanwhile, having heard nothing from The Canadian, Chantale had called the service department at 8:25 A.M. Someone named Christiane answered the phone. She said that there was a note in the couple's file and that she would communicate with the repair department, asking the person in charge to call the Rileys. This was to be done by sending the employee an e-mail message. Apparently, the service department and the repair department did not communicate with each other by phone but only in writing. She said that she would phone Chantale as soon as she had heard from the repair department.

At 9:30 A.M., having heard nothing from The Canadian, Chantale phoned again. After waiting a few minutes for a service employee to take the call, and after recounting the whole story once again to another representative, she was told that Christiane had not yet heard from the repair department and that she would send another note to it. At that point, Chantale lost her cool and asked the person on the phone where else could she call if nobody called her back saying what time the repair would be done. She was given the 800 number of the service department of the corporate office. Chantale told the woman on the line that if no one had called her back after one hour, she would call the 800 number, which she did, at 10:45 A.M.

Again, she told the complete story to Diane, the person who answered the phone. After apologizing on behalf of the company, Diane told Chantale that she would check things out herself, since the file clearly stated that the repair was supposed to

have been done the previous day. She said that someone would call the Rileys as soon as possible. Clinton and Chantale subsequently had a small lunch, since there was no fresh food in the house anymore. They waited for the phone call in vain. Finally, Clinton decided to call again but this time to the store where the refrigerator had been bought.

Clinton called the store at about 2:15 P.M. He was hoping that after listening to the story, the store manager would be sufficiently concerned so that he or she would put pressure on the repair department to respond. When Clinton called the store, he was told that the manager was busy with a client and was therefore not available. Clinton insisted on talking to someone in a supervisory capacity. Finally, the store representative said that maybe she could help. Her name was Johanne. Clinton recounted the events of the past month. When he had finished the story, Johanne responded that she worked in a store and therefore had nothing to do with service and that she could not help. She suggested that Clinton should call customer service. Clinton, somewhat angrily, pointed out that sales in the store depended on The Canadian providing good service and that as a salesperson she had better be concerned about service. Johanne laughed sheepishly and agreed. Clinton, by this time, was so exasperated that he said that he felt like putting the refrigerator in his minivan, taking it to the store, and dumping it at the entrance. Joanne then said that the store did have a service where a small refrigerator could be loaned to clients. Clinton asked if he would have to visit the store to collect it. Joanne said yes. Clinton said that that was unacceptable and that The Canadian should deliver it. Finally, Johanne said that the only thing she could do was to give Clinton the number of the president's office, which she did.

Clinton called the number at about 2:30 P.M. on July 4. The person who answered the phone, Nicole, listened to the story and offered to send an e-mail to the manager in charge of repairs. Clinton indicated that it was about the third or fourth time someone had told his wife or him that an e-mail would be sent, and nothing had happened the previous times. Nicole then asked Clinton to hold. When she returned, she said that the manager was taking another call and that she could not speak to him. She was willing to leave a voice message as well

as send an e-mail. Clinton was adamant that he wanted some action now and that he was completely frustrated. He indicated that he owned about three other appliances from The Canadian and that he was always a loyal The Canadian customer. He also said that his wife had worked at The Canadian as a department manager and that she was also loyal, but at this point he had no faith or confidence in the way the matter was being handled. Nicole again asked him to hold. When she returned, she said that she had spoken to the repair manager and that as soon as he had heard the phone number of the client, he said that he was aware of the problem and that he was working on it. Nicole told Clinton that he would receive a phone call within the hour. Clinton responded that this was about the fourth time he was given this promise but that no one had called in the past. Nicole was always polite. Clinton subsequently hung up, not very hopeful that the situation would be corrected soon.

A customer service representative from The Canadian finally called at about 3:00 p.m. on July 4. The employee said that a technician would visit the Rileys on July 5. She asked if that was OK. Clinton replied that that was terrible because he had been expecting a technician that same day, July 4. The representative explained that no appointment had been made for July 4, since the previous appointment had been scheduled for July 3. Finding this answer completely unacceptable, since in the past someone had called when a service visit had to be postponed to the next day, Clinton again pointed out how terrible the service from The Canadian was. He added that it made no sense to say that since no one had turned up on July 3, he should not have expected someone on July 4, and that clearly she must realize that the problem of the refrigerator still existed and the family had been without a refrigerator for approximately seven days. He continued that he knew that it was not the caller's fault but that she was the only person he could talk to. She listened and continued to ask politely if July 5 was a good day. Clinton explained that someone would have to stay home another day and asked whether under the circumstances, she could give a precise time when the technician would arrive. The representative responded that

the best she could do was indicate that the technician would come in the morning. At that point, Clinton terminated the call in exasperation.

That same day, a neighbor of the Rileys knowing about the situation invited the family over for dinner. The family went over and had dinner with their friends. While there, Dorothy, the neighbor, said that she too was a customer of The Canadian but that after hearing about the experience of the Rileys, she was beginning to think that she should search for a new supplier. She worked in an office that was in the process of buying new appliances and it had more or less decided to purchase the Bryand brand. But after hearing about the problems with the refrigerator of Chantale and Clinton, the office was going to re-evaluate its decision and more than likely buy an alternative brand. Dorothy also recounted that she had heard in her office a story about a The Canadian technician who, while repairing a refrigerator, had to be advised by a plumber who was at the same site. She believed that the service of The Canadian was deteriorating very badly.

Chantale and Dorothy, continuing their conversation, discovered that they were both facing the same situation, as home owners. Indeed, one couple had been married for 27 years and the other, for 18 years. Their home appliances, purchased new at the time their homes were bought, had reached or were approaching the end of their useful life and needed to be replaced. During the past 18 months, the Rileys had purchased a new dishwashing machine, a new clothes washer, and a new refrigerator. They knew that they would soon have to change the dryer, the stove, and the microwave oven. Dorothy faced the same situation. She thought that all her electrical appliances would need changing within the next five years. Both of them mentioned that since their disposable income was higher than before, they were able to buy more expensive appliances compared to the first time.

July 5

On Thursday morning, the cleaning lady arrived at 9:00 a.m. and was surprised that the refrigerator had still not been repaired. She inquired about the

brand and said that she would make a mental note not to buy that brand.

At about 9:45 A.M., a technician called to say that he would be there in 30 minutes. At 10:30 A.M., he arrived and Clinton and Chantale were happy to see that the technician was Miguel. When he heard the story he was quite surprised that no one had visited the Rileys on Tuesday morning. He began the repairs immediately by using nitrogen to clear the blocked lines. The job took about two hours and Miguel left at 12:30 P.M. The refrigerator appeared to be functioning properly when he left. Miguel also took the food claim with him after suggesting that Chantale add the cost of the ice bought to the list of expenses. Including the ice, Chantale calculated the total loss at around \$108. Miguel promised to call in about five days to check if all was well with the refrigerator.

Chantale and Clinton, after doing a big grocery run and cooking their first complete meal since the trouble started seven days before, discussed their ordeal. Chantale mentioned that it could have been worse. One of them had to stay at home to deal with the problem for five days altogether but, given that they were consultants who had the luxury of working at home occasionally, they had postponed a few appointments

but they did not lose five days of pay. But the couple was still very angry with the treatment they felt they had received during the past week. They understood that the problem with the refrigerator could necessitate two service calls but they did not understand that promises were broken and appointments were not respected. They were also puzzled that the employees of the company seemed to communicate only by e-mail. They agreed that the company had been a major disappointment and they wondered if they could ever trust it again regarding the purchase of future appliances. Chantale ended the conversation by adding that, unfortunately, due to their habit of buying extended service warranties, they would probably have to deal with The Canadian's repair service department again in the next five years. At the dinner that evening, the family raised questions regarding whether they should do anything further.

The next day, to the surprise of Chantale, Miguel called to inquire about the refrigerator. Upon learning that it seemed to work well, he promised that he would call the following week to see if all was well with the refrigerator. True to his promise, Miguel called again on Tuesday. Chantale felt that at least one person from The Canadian cared.

CASE QUESTIONS

1. Have you ever experienced a similar situation with telephone services, cable or satellite television systems, financial institutions, airlines, or service providers such as hair-care professionals? If so, what did the company do wrong? What was the most important thing the company could have done to make you feel better about the poor service?
2. From the perspective of marketing, what element of the marketing mix (e.g., markets, products, prices, place, promotion, people) is most at risk for the department store chain?
3. From the perspective of management, what should the repair department's supervisors do to deliver better-quality service in the future?
4. If you were going to serve as a consultant to The Canadian, what recommendations would you make at the strategic, tactical, and operational levels? How would your recommendations connect with one another?
5. This case is largely presented from the perspective of "what not to do." In other words, it focuses on the mistakes made by the company. If you were to rewrite the case, could you show how to manage this department from a "what to do" perspective, tying your answer with the essential link between the service department and future marketing efforts?



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